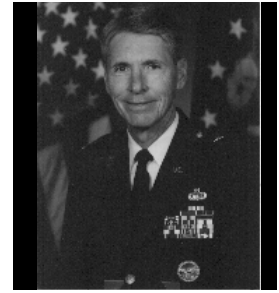


NOTES FROM THE:

Deputy Assistant Secretary, Budget



by Major General George T. Stringer

FY00/01 President's Budget

The FY00/01 President's Budget was released on 1 Feb 99, and it recognized people as the most important element in addressing recent trends in readiness by funding a 4.4% military pay increase, a reform of pay tables, and the military retirement system, as well as, recruiting and retention incentives that will help the Air Force find and keep the best people. In addition, the budget provided program increases of \$2.5B in FY00 and approximately \$20B additional across the FYDP which enables us to focus on the most urgent readiness issues. We increased funds for combat forces readiness training, including training exercises and ranges, spare parts, aircraft and missile maintenance, training facilities and equipment, and maintenance of existing force structure. The budget also maintained key Air Force modernization programs such as the F-22, C-17, Airborne Laser, Evolved Expendable Launch Vehicle, and other programs which remain essential to our future readiness. The increases were made possible through a combination of lower inflation rates and fuel prices, reduced military construction funding, based on advance appropriation of construction projects, and new funding provided by the President. While there is more to be done, particularly in the infrastructure and modernization areas, this budget forcefully addresses the critical near-term requirements. As a result, we have supported both our most immediate readiness needs and our rapid transition to an Expeditionary Air Force.

The budget maintains focus on our long-term Global Engagement goals. Global Engagement addresses the range of Air Force activities—operations, infrastructure, and personnel—to provide a comprehensive map to shape the Air Force for the 21st Century. Global Engagement is based on six core competencies: Air and Space Superiority, Global Attack, Precision Engagement, Rapid Global Mobility, Information Superiority, and Agile Combat Support. These competencies stem from the speed, global range, precision, flexibility, unparalleled access, and awareness afforded by aerospace forces. Global awareness and command/control bring the competencies together to provide aerospace power to the Joint Force Team.

O&M Budget Review

Fiscal year 1999 initial funding distribution to the Major Commands was completed in early November. We passed Congressional reductions for travel, revised economic assumptions, and equipment to the commands; however, we shared execution risk by absorbing \$571M in Congressional reductions from the execution review account (ERA). The remaining ERA balance was used to fund \$142M in requirements identified by the Operating Budget Review Committee and the \$155M AFCAIG reprice bill. The initial numbers include Emergency Supplemental funding for readiness shortfalls in Flying Hour Spares, Depot Purchased Equipment Maintenance, and Personnel Training and Recruiting Initiatives. First quarter contingency funding was released in February and from that point forward monthly based upon the previous month's actual obligations.

We started the year with a considerable amount of risk. The supplemental funding should alleviate some of these shortfalls; however, we will relook the overall health of the O&M account during the Budget Execution Review this spring.

Investment Budget Review

The Investment Budget Review (IBR) of investment appropriations will be conducted during the May-July timeframe. Site visits of AFMC Product and Logistic Centers will occur in June. The scope of review includes RDT&E, Procurement, MILCON, MFH Construction, MFH, O&M, and BRAC accounts. The focus will be program executability, both current and future; execution performance, fact-of-life changes, pricing realities; as well as Congressional actions. The Investment Budget Review Committee (IBRC) will meet in late July to develop recommendations for the Air Force Board and Council. The overall objective of the IBR process is to develop an executable budget which makes the most effective use of Air Force resources—redistributing Total Obligation Authority based on corporate Air Force requirements and IBRC recommendations. Stay tuned to SAF/FM home page for review instructions, schedules, and update/changes.